

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on December 18, 2017. Mayor Dehen called the meeting to order at 7:00 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for roll call: Mayor Dehen, Council Members Steiner, Norland, Freyberg, and Whitlock, City Administrator Harrenstein, Finance Director McCann, City Attorney Kennedy, Community Development Director Fischer, Public Works Director Swanson and City Clerk Van Genderen.

Approval of Agenda

Council Member Norland moved, seconded by Council Member Steiner, to approve the agenda as presented. Vote on the motion: Steiner, Norland, Freyberg, Whitlock and Dehen aye; no nays. Motion carried.

Approval of Council Meeting Minutes

Council Member Norland moved, seconded by Council Member Whitlock, to approve the minutes of the Council meeting of December 4, 2017. Vote on the motion: Steiner, Norland, Freyberg, Whitlock and Dehen aye; no nays. Motion carried.

Public Hearing-Stormwater and Annual Stormwater Pollution Prevention Program (SWPPP) Review.

City Engineer Dan Sarff appeared before Council and stated the Minnesota Pollution Control Agency (MPCA) administers the requirements of the federal Clean Water Act. At the MPCA, the Stormwater Program includes three general stormwater permits, including the Municipal Separate Storm Sewer System (MS4) Permit. The MS4 General Permit is designed to reduce the amount of sediment and pollution that enters surface and groundwater from storm sewer systems to the maximum extent practicable. Because the City of North Mankato has a population greater than 10,000, it must comply with MS4 permit requirements.

The City's MS4 permit requires the City to develop and maintain a stormwater pollution prevention program (SWPPP) that incorporates best management practices (BMPs) applicable to their City. The SWPPP has six Minimum Control Measures including Public Education and Outreach on Stormwater Impacts, Public Participation and Involvement, Illicit Discharge Elimination, Construction Site Stormwater Runoff Control, Post-Construction Stormwater Management in New Development and Redevelopment, and Pollution Control and Good Housekeeping for Municipal Operations. The MS4 permit includes a requirement that the City provide a minimum of one opportunity each year for the public to provide input on the adequacy of the City's SWPPP.

With no one else appearing before Council the Mayor closed the Public Hearing.

Consent Agenda

Council Member Steiner moved, seconded by Council Member Norland, to approve the Consent Agenda which included:

- A. Bills and Appropriations.
- B. Res. No. 85-17 Approving Donations/Contributions/Grants.
- C. Res. No. 86-17 Setting Rates and Charges for Municipal Utilities.
- D. Approved Temporary Alcohol Permit for Business on Belgrade and the Anthony Ford Pond Hockey Tournament on January 26, 27, and 28, 2018, at Spring Lake Park.
- E. Res. No. 87-17 Approving State of Minnesota Agency Agreement for Federal Participation in Construction.
- F. Res. No. 88-17 Approving City Council Committee Assignments.

- G. Res. No. 89-17 Setting Fees and Charges.
- H. Approved Contract with Abdo, Eick & Meyers LLP to Complete the 2017 Audit.
- I. Set Public Hearing for 7 pm on January 2, 2018, to consider Annexation of 25.55 Acres.
- J. Res. No. 90-17 Approving Consent Assessment.

Vote on the motion: Steiner, Norland, Freyberg, Whitlock and Dehen aye; no nays. Motion carried.

Public Comments Concerning Business Items on the Agenda

None.

Business Items

Consider Proposed 2018 Budget and Capital Improvement Plan.

Finance Director McCann reported the Budget before Council tonight is the finalized version of what was presented and tonight's action would formally adopt the Budget.

Res. No. 91-17 Approving the General Fund Budget and Auxiliary Fund Budget for Fiscal Year 2018. Council Member Norland moved, seconded by Council Member Steiner to Adopt Res. No. 91-17 Approving the General Fund Budget and Auxiliary Fund Budget for Fiscal Year 2018. Vote on the motion: Steiner, Norland, Freyberg, Whitlock and Dehen aye; no nays. Motion carried.

Res. No. 92-17 Approving 2017 Tax Levy Collectible in 2018. Council Member Freyberg moved, seconded by Council Member Steiner to Adopt Res. No. 92-17 approving the 2017 Tax Levy Collectible in 2018. Vote on the motion: Steiner, Norland, Freyberg, Whitlock and Dehen aye; no nays. Motion carried.

Res. No. 93-17 Approving the Capital Improvement Plan 2018-2022. Council Member Steiner moved, seconded by Council Member Norland to Adopt Res. No. 93-17 Approving the Capital Improvement Plan 2018-2022. Vote on the motion: Steiner, Norland, Freyberg, Whitlock and Dehen aye; no nays. Motion carried.

Res. No. 95-17 Ordering Preparation of Feasibility Report on Project No. 17-07 ABCDEF Anchorage Drive Project.

City Administrator Harrenstein reported the project is potentially on the CIP for 2018, and the City wants the authorization to complete the feasibility study. The approval would allow the City to move forward if the timing works out. **Council Member Freyberg moved, seconded by Council Member Norland to Adopt Res. No. 95-17 Ordering Preparation of Feasibility Report on Project No. 17-07 ABCDEF Anchorage Drive Project. Vote on the motion: Steiner, Norland, Freyberg, Whitlock and Dehen aye; no nays. Motion carried.**

Consider Z-4-17 Request to Zone Part of Section 10-108-27: A Request from Roy & Grace Toegel/Mick Montag. Consider Ordinance No. 98, Fourth Series Zoning Part of Section 10-108-27, as R-1, One-Family Dwelling.

Community Development Director Fischer reported the applicants are in the process of annexing 25.55 acres of land into the City limits for future single-family residential development. The property is located at the west end of Marie Lane. As the property is being annexed into the City

limits, it is necessary to provide a zoning classification based on the intended use of the property. The proposed zoning request is both consistent with existing area zoning and the Comprehensive Plan. Community Development Director Fischer reported the Planning Commission reviewed the request and recommended the zoning. City Administrator Harrenstein indicated the zoning should be contingent on successful annexation and platting of the property and a development agreement. **Council Member Norland moved, seconded by Council Member Steiner to Adopt Ordinance No. 98, Fourth Series Zoning Part of Section 10-108-27, as R-1, One-Family Dwelling Contingent upon Successful Annexation, Platting and a Development Agreement. Vote on the motion: Steiner, Norland, Freyberg, Whitlock and Dehen aye; no nays. Motion carried.**

Consider Preliminary Plat of Nature View Subdivision No. 2: A Request form Roy & Grace Toegel/Mick Montag.

Community Development Director Fischer reported the 25.55 acres is in the process of being annexed into the City limits to accommodate future single-family residential development. A preliminary plat consists of 8 single-family residential lots, possible drainage easements to accommodate stormwater and 2 Outlots. Outlot A is ravine property, and Outlot B would be reserved for future development. Community Development Director Fischer stated the Planning Commission approved the preliminary plat subject to:

1. Successful Annexation.
2. Street and curb and gutter within the subdivision is private, and all underground utilities are public including the stormwater holding pond.
3. Stormwater holding ponds are designed by a licensed engineer and shown on the final plat.
4. City of North Mankato and Developer enter into a development agreement for the extension of Marie Lane.

City Administrator Harrenstein indicated Marie Lane was last extended in 1988 which was an extension of the westerly portion ending at Ivy Lane. The City had anticipated a housing development being built, and acquired right away for the anticipated extension. The City has been approached by a developer to complete the extension. A developer presented a development plan of approximately ten lots which are in line with the Comprehensive Plan. The developer has clearly told the City that if the extension is not completed the development will not be completed. In the past, the City has used 429 bonds and assessed the improvements to the lots based on the value of the improvements to each lot. For this project the City would not need to borrow the estimated \$250,000 for the road extension. Staff is proposing using residual bond proceeds, mitigating the risk of 429 bonds. Staff has reviewed several options and proposes:

1. Place ten lots in abatement district and have them pay back the \$250,000.
2. Use residual tax proceeds and benefits as they occur.

City Administrator Harrenstein reported it would be in the best interest of the City to create a development agreement that states the developer's portion of infrastructure must be in the ground before the City proceeds with building the road.

Council Member Freyberg questioned why the City did not have a developer's agreement in place before bringing the project to Council. City Administrator Harrenstein stated staff wanted to receive Council direction before proceeding. Mayor Dehen stated the Council could approve the preliminary plat, but it would be contingent upon a development agreement.

Discussion was held concerning what would happen if the City decided to use 429 bonds. The use of 429 bonds would require assessing a portion of the improvements to the adjacent property owners. Mayor Dehen stated it might be difficult to prove improvements to the properties, making it difficult to assess them for the improvements. Council Member Steiner requested clarification on assessing the properties being developed. Administrator Harrenstein reported the developer would not develop the property if the improvement is assessed to the properties being developed.

City Administrator Harrenstein reported the Preliminary Plat of Nature View Subdivision No. 2 is subject to:

1. Successful Annexation.
2. Street and Curb and gutter within the subdivision is private, and all underground utilities are public including the stormwater holding pond.
3. Stormwater holding ponds are designed by a licensed engineer and shown on the final plat.
4. City of North Mankato and developer enter into a development agreement for the extension of Marie Lane.

City Administrator Harrenstein stated staff would present a draft development agreement.

Council Member Norland moved, seconded by Council Member Whitlock to approve the Preliminary Plat of Nature View Subdivision No. 2: A Request from Roy & Grace Toegel/Mick Montag. Vote on the motion: Steiner, Norland, Whitlock and Dehen aye; Freyberg abstain; no nays. Motion carried. Don Kiel, 604 Marie Lane, appeared before Council and requested clarification on if his property would be assessed. Mayor Dehen confirmed with staff that his property would not be assessed.

Res. No. 94-17 Ordering Preparation of Feasibility Report on Project No. 17-06 ABCDE, Marie Lane Extension.

City Engineer Sarff reported the Resolution relates to the Nature View Subdivision No. 2. He stated the City could wait until after the Developers Agreement was completed, but it may be beneficial to have more exact estimates for the development of the Developers Agreement. **Council Member Norland moved, seconded by Council Member Steiner to Adopt Res. No. 94-17 Ordering Preparation of Feasibility Report on Project No. 17-06 ABCDE, Marie Lane Extension. Vote on the motion: Steiner, Norland, Whitlock and Dehen aye; Freyberg abstain; no nays. Motion carried.**

Consider Z-5-17 Request to Rezone 1253/1255 Lake Street from R-1 to R-3: A Request from Andrew Atwood. Consider Ordinance No. 99, Fourth Series Rezoning 1253/1255 Lake Street from R-1 to R-3.

Community Development Director Fischer reported the applicant purchased the property in 2015, the property was damaged by a mudslide, and the applicant made improvements to the hillside and attempted to sell the property. He was unable to sell the property and was granted temporary rental licenses and is working on obtaining permanent licenses. As the property is currently zoned R-1, One-Family Dwelling, no more than two unrelated persons can occupy each unit. Community Development Director Fischer reported in an R-3 and R-4 zoning districts, no more than five unrelated persons can reside together. In an attempt to allow more than two unrelated persons to live in 1253 and 1255 Lake Street, the applicant is requesting the property be rezoned from R-1 to R-3. Community Development Director Fischer reported the Planning Commission reviewed the request and discussed spot zoning, precedent for future requests if approved, off-street parking, and existing

area zoning and recommend denying the request to rezone 1253/1255 Lake Street from R-1 to R-3. **Council Member Freyberg moved, seconded by Council Member Steiner to Support Staff Recommendations and Deny the Request to Rezone 1253/1255 Lake Street from R-1 to R-3: A Request from Andrew Atwood. Vote on the motion: Steiner, Norland, Freyberg, Whitlock and Dehen aye; no nays. Motion carried.**

Consider Ordinance No. 97, Fourth Series an Ordinance of the City of North Mankato, Minnesota Annexing 20.75 Acres Owned by BCD Properties.

Community Development Director Fischer reported the property is located on the west side of County Road 41, west of the property owned by Mayo Clinic. The ordinance would annex the property into the City limits for Industrial Development. Mayor Dehen requested clarification on extending the road. Community Development Director Fischer reported the anticipated extension would be in 2019. **Council Member Norland moved, seconded by Council Member Steiner to adopt Ordinance No. 97, Fourth Series an Ordinance of the City of North Mankato, Minnesota Annexing 20.75 Acres Owned by BCD Properties. Vote on the motion: Steiner, Norland, Freyberg, Whitlock and Dehen aye; no nays. Motion carried.**

City Administrator and Staff Comments

Receive Report on Commerce Drive Business and Citizen Public Engagement Meetings.

City Administrator Harrenstein reported there were four public meetings. Two public meetings held with the general public and two public meetings held with business owners. A draft vision statement was included, and an update could be anticipated in April or May with additional engagements before finalizing the plan. This project is in conjunction with the awarded Federal resurfacing dollars.

Public Works Director Swanson reported the hockey rinks and lights were operating and were open to the public until 10:00 p.m.

Public Works Director Swanson reported the compost site was closed until spring.

Mayor and Council Comments

Council Member Freyberg thanked Finance Director McCann for his work and stated the budget process was one of the best he had attended. He thanked Caswell Sports Director Tostenson for his work at Caswell Park. He thanked all City staff for their work.

Council Member Norland seconded Council Member Freyberg's sentiments. She stated she appreciated the League of Minnesota's leadership during the Council Workshop on December 18, 2017, at noon.

Council Member Whitlock thanked Council and Staff for their assistance through his first year as Council Member.

Council Member Steiner moved, seconded by Council Member Norland to hold a workshop at the first or second meeting in January to discuss meeting management. Vote on the motion: Steiner, Norland, Freyberg, Whitlock and Dehen aye; no nays. Motion carried.

Mayor Dehen directed staff to speak with Attorney Whitmore, from the League of Minnesota Cities or Dave Bartholomay, Bureau Mediation Services & Mayor, Circle Pines, for suggested protocol on procedures for placement at the podium.

Mayor Dehen wished everyone Merry Christmas and safe travels during the season.

There being no further business, on a motion by Council Member Steiner, seconded by Council Member Norland, the meeting adjourned at 7:50 p.m.

Mayor

City Clerk